

Message Text

PAGE 01 TAIPEI 02196 240549Z

14-11
ACTION EA-10

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UNCLAS TAIPEI 2196

USDOC FOR BIC/OIM/FE--SONNE

E.O. 11652: N/A
TAGS: BEXP, TW
SUBJECT: MARKET RESEARCH: INDUSTRIAL AND COMMERCIAL SECURITY
AND SAFETY EQUIPMENT

REF: A) STATE 075212, 4/3/75; B) TAIPEI 1836, 4/9/75;
C) USDOC 06020, 4/18/75; D) POTHUISJE/LLOYD TELECON, 4/22/75

SUMMARY; POST SUBMITS FOLLOWING INFORMATION RE SUBJECT MARKET
RESEARCH STUDY AND CONFIRMS AGREEMENT PER REF D) THAT MANAGEMENT
CONSULTANTS CORPORATION BE AWARDED CONTRACT FOR PREPARATION OF
SUBJECT STUDY. REQUEST DOC TELEGRAPHIC TRANSMISSION OF
RECONFIRMATION ALONG WITH AUTHORIZATION AND RELEVANT FISCAL DATA.

1. FOUR FIRMS INVITED TO BID SUBMITTED PROPOSALS FOR PREPARATION
OF SUBJECT RESEARCH. BIDS RANGED FROM HIGH OF US\$2,500 TO LOW
OF US\$1,480. POST RECOMMENDED ACCEPTANCE OF BID BY MANAGEMENT
CONSULTANTS CORPORATION.

2. FOLLOWING FIRMS WERE INVITED TO BID ON SUBJECT RESEARCH:
PEAT,MARWICK, MITCHELL & CO. (PMM&CO.); CHINA CREDIT INFORMATION
SERVICE, LTD. (CCIS); MANAGEMENT CONSULTANTS (MCC); AND HARVARD
MANAGEMENT SERVICE, INC. (HMS). EACH FIRM'S PROPOSED NUMBER OF
INTERVIEWS AND PROJECTED COSTS ARE OUTLINED BELOW.

FIRMS	COSTS	INTERVIEWS
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PAGE 02 TAIPEI 02196 240549Z

PMM	US\$ 2,500	A) ASSOCIATIONS	3-4
	NT\$ 95,000	B) JOURNALS	2-4
		C) GOVERNMENT	2-3
		D) SALES REPS/IMPORTERS	7-9

E) MANUFACTURERS/	
ENGINEERS	5-7
F) END-USERS	11-14
TOTAL	30-40

CCIS	US\$ 2,200	A) END-USERS	32
	NT\$ 83,600	B) SALES REPS	5
		C) ASSOCIATIONS	2
		D) JOURNALS	1
		E) CONSULTANTS	1
		F) GOVERNMENT	3
		G) MANUFACTURERS	5
		TOTAL	27

MCC	US\$ 1,920	A) MANUFACTURERS	3
	NT\$ 72,864	B) IMPORTERS	10
		C) GOVERNMENT	2
		D) END-USERS	9
		E) ASSOCIATIONS	3
		TOTAL	27

HMBKV	US\$ 1,480	A) END-USERS	12
	NT\$ 56,100	B) SALES REPS	9
		C) MANUFACTURERS	13
		D) OTHERS	3
		TOTAL	37

3. EVALUATION OF BIDS

A) PMM'S PROPOSAL IS WELL PREPARED AND ITS STAFF IS HIGHLY QUALIFIED TO DO THIS RESEARCH. IN NOVEMBER, 1974, PMM SUCCESSFULLY COMPLETED FOR DOC THE "AIR AND WATER PURIFICATION AND POLLUTION CONTROL EQUIPMENT" GLOBAL MARKET SURVEY FOR THE ROC. THE FIRM IS NOW COMPLETING FOR DOC RESEARCH ON ROC MARKETS FOR MOTOR VEHICLE MAINTENANCE AND SERVICING EQUIPMENT. RE SUBJECT STUDY HOWEVER, PMM'S BID PRICE IS HIGH RELATIVE TO THOSE OF OTHER BIDDERS.

UNCLASSIFIED

PAGE 03 TAIPEI 02196 240549Z

B) CCIS SUBMITTED A GOOD PROPOSAL WHICH SETS FORTH IN DETAIL THE NUMBER AND DISTRIBUTION OF FIRM'S PLANNED INTERVIEWS. AS MAY BE SEEN FROM ITS LIST OF RELATED STUDIES PREVIOUSLY CONDUCTED (FIRE EXTINGUISHING AND SAFETY EQUIPMENT IN TAIWAN), THE FIRM HAS SOME RESEARCH EXPERIENCE IN THIS FIELD. CCIS WAS RECENTLY AWARDED THE DOC CONTRACT FOR THE PREPARATION OF THE "ELECTRIC ENERGY SYSTEMS" GLOBAL MARKET SURVEY. WITH THE ADDITION OF QUALIFIED AMERICAN PERSONNEL TO THE FIRM'S STAFF, CCIS'S PREVIOUS PROBLEMS WITH POOR ENGLISH LANGUAGE EXPRESSION IN FINAL STUDIES ARE NOW ELIMINATED. WHILE CCIS'S BID PRICE IS LOW RELATIVE TO ITS PROPOSED NUMBER AND DISTRIBUTION OF INTERVIEWS, POST WISHES FIRST TO EVALUATE FIRM'S PROGRESS ON THE "ELECTRIC ENERGY SYSTEMS" GLOBAL MARKET SURVEY BEFORE RECOMMENDING FIRM BE AWARDED ANOTHER MARKET

RESEARCH CONTRACT.

C) MCC SUBMITTED A WELL PREPARED PROPOSAL AND ITS STAFF IS VERY CAPABLE OF CONDUCTING THE SUBJECT RESEARCH. POST RECENTLY REVIEWED MCC'S FINAL DRAFT OF THE "BUSINESS EQUIPMENT AND SYSTEMS" GLOBAL MARKET SURVEY AND FOUND THE RESEARCH TO BE THOROUGH AND THE PRESENTATION, INTERESTING TO READ. IN VIEW OF MCC'S LOW BID PRICE AND THE DEMONSTRATED HIGH QUALITY OF THE FIRM'S WORK, POST BELIEVES MCC CAN PREPARE A GOOD STUDY WITHIN THE TIME FRAMEWORK SET FORTH IN REF C) WITH A MINIMUM DEGREE OF SUPERVISION FROM POST'S RESEARCH STAFF.

D) HMS'S BID PRICE IS LOW RELATIVE TO THE PROPOSED NUMBER AND DISTRIBUTION OF INTERVIEWS. HOWEVER, THE FIRM ESTIMATED IT WOULD NEED 12 WEEKS TO COMPLETE THE STUDY. HMS HAS NOT PREVIOUSLY CONDUCTED RESEARCH FOR DOC. WHILE POST WOULD IN FUTURE LIKE TO SEE HMS CONDUCT SUCH RESEARCH, POST FEELS UNDER CURRENT TIME CONSTRAINTS HMS COULD NOT PREPARE HIGH QUALITY WORK WITHOUT VERY CLOSE SUPERVISION BY TC RESEARCH STAFF.

CONCLUSION: POST CONFIRMS AGREEMENT PER REF D) THAT MCC BE AWARDED CONTRACT FOR PREPARATION OF SUBJECT STUDY AND REQUESTS DOC TELEGRAPHIC TRANSMISSION OF RECONFIRMATION AUTHORIZATION, AND RELEVANT FISCAL DATA. MCC HAS BEEN INFORMED AND HAS ASSURED POST THAT FIRM WILL DELIVER FINALS RAFT OF STUDY ON 6/23/75 AS NOTED IN PROPOSAL. PER REF C) ITEM 4, ON 6/23/75 POST WILL TRANSMIT BY APO AND COMMERCIAL AIR MAIL 2 COPIES OF UNPROOFED FINAL DRAFTS. FINISHED COPIES SHOULD UNCLASSIFIED

PAGE 04 TAIPEI 02196 240549Z

ARRIVE 2-3 WEEKS THEREAFTER.
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